

AMENDED IN SENATE JUNE 14, 2016

AMENDED IN SENATE JUNE 1, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2570

Introduced by Assembly Member Quirk

February 19, 2016

An act to amend ~~Sections 873 and~~ *Section 879* of, and to add *Section 878.5* to, the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 2570, as amended, Quirk. Telecommunications: universal service: wireless communications.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. The Moore Universal Telephone Service Act establishes the Universal Lifeline Telephone Service program in order to provide low-income households with access to affordable basic residential telephone service. ~~The act requires the commission to annually designate a class of lifeline service necessary to meet minimum communications needs.~~ The act requires that a lifeline telephone service subscriber be provided with one lifeline subscription, as defined by the commission, at his or her principal place of residence.

~~This bill would specify that minimum communication needs includes wireless communications.~~ The bill would prohibit the commission from reimbursing a telephone corporation for a reimbursement claim for providing wireless lifeline service to a new subscriber who enrolls for service with the telephone corporation if the subscriber enrolled for wireless lifeline service with another telephone corporation within the

previous 60 days. The bill would require the commission to reimburse a telephone corporation providing wireless lifeline service within 60 days of the date the telephone corporation submits a reimbursement claim. If the commission does not reimburse a telephone corporation for a reimbursement claim for wireless lifeline service within 60 days, the bill would require the commission to pay all of the costs of the telephone corporation resulting from the late reimbursement, including, but not limited to, financing fees, interest payments, and staff time.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 873 of the Public Utilities Code is~~
2 ~~amended to read:~~

3 ~~873. (a) The commission shall annually do all of the following:~~

4 ~~(1) Designate a class of lifeline service necessary to meet~~
5 ~~minimum communications needs, including wireless~~
6 ~~communications.~~

7 ~~(2) Set the rates and charges for that service.~~

8 ~~(3) Develop eligibility criteria for that service.~~

9 ~~(4) Assess the degree of achievement of universal service,~~
10 ~~including telephone penetration rates by income, ethnicity, and~~
11 ~~geography.~~

12 ~~(b) Minimum communications needs includes, but is not limited~~
13 ~~to, the ability to originate and receive calls and the ability to access~~
14 ~~electronic information services.~~

15 ~~SEC. 2.~~

16 ~~SECTION 1.~~ Section 878.5 is added to the Public Utilities
17 Code, to read:

18 878.5. The commission shall not reimburse a telephone
19 corporation for a reimbursement claim for providing wireless
20 lifeline service to a new subscriber who enrolls for service with
21 the telephone corporation if the subscriber enrolled in wireless
22 lifeline service with another telephone corporation within the
23 previous 60 days. *Nothing in this section shall preclude a*
24 *subscriber from terminating wireless lifeline service within 14*
25 *days of service activation without incurring any charges, including*
26 *an early termination fee, as authorized pursuant to Rulemaking*
27 *11-03-113.*

~~SEC. 3.~~

SEC. 2. Section 879 of the Public Utilities Code is amended to read:

879. (a) The commission shall, at least annually, initiate a proceeding to set rates for lifeline telephone service. All telephone corporations providing lifeline telephone service shall annually file, on a date set by the commission, proposed lifeline telephone service rates and a statement of projected revenue needs to meet the funding requirements to provide lifeline telephone service to qualified subscribers, together with proposed funding methods to provide the necessary funding. These funding methods shall include identification of those services whose rates shall be adjusted to provide the necessary funding.

(b) The commission shall commence a proceeding within 30 days after the date set for the filings required in subdivision (a), giving interested parties an opportunity to comment on the proposed rates and funding requirements and the proposed funding methods. The commission may change the rates, funding requirements, and funding methods proposed by the telephone corporations in any manner necessary, including reasonably spreading the funding among the services offered by the telephone corporations, to meet the public interest. Within 60 days of the annual filing, the commission shall issue an order setting lifeline telephone service rates and funding methods for each telephone corporation making a filing as required in subdivision (a). The commission may establish a lifeline service pool composed of the rate adjustments and surcharges imposed by the commission pursuant to this section for the purpose of funding lifeline telephone service.

(c) Any order issued by the commission pursuant to this section shall require telephone corporations providing lifeline telephone service to apply the funding requirement in the form of a surcharge to service rates which may be separately identified on the bills of customers using those services. The commission shall not allow any surcharge under this section on the rates charged by those telephone corporations for lifeline telephone service.

(d) The commission shall permit telephone corporations operating between service areas to adjust the rates of any service which may be affected by any surcharge imposed by this section.

1 (e) The commission shall reimburse a telephone corporation
2 providing wireless lifeline service within 60 days of the date the
3 telephone corporation submits a reimbursement claim. If the
4 commission does not reimburse a telephone corporation for a
5 reimbursement claim for wireless lifeline service within 60 days,
6 the commission shall pay all of the costs of the telephone
7 corporation resulting from the late reimbursement, including, but
8 not limited to, financing fees, interest payments, and staff time.

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